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OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING

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August 22, 1980

Mr. Herbert M. Campbell II, Vice President
Ranchers Exploration and Development Corp.
P.O. Box 6217
Albuquerque, New Mexico 87197

RE: Tentative Approval
Escalante Silver Mine
ACT/021/004
Iron County, Utah

Dear Mr. Campbell:

The Board of Oil, Gas, and Mining at its August Executive Meeting, concurred with the Division's decision to grant tentative approval to Ranchers Exploration and Development Corporation for the Mining and Reclamation Plan submitted for the Escalante Silver Mine located in Iron County, Utah. Tentative approval is hereby issued with the following stipulations:

- ✓ 1. Ranchers provide an estimate as to the total volume of topsoil or plant support material to be stockpiled from the disturbed areas, and also the amount or average thickness to be redistributed over the disturbed areas upon final reclamation. [Rule M-3(2),(c,d) and MR Form 2, page 2, Grading and Regrading (b)].
- ✓ 2. A plan for regrading, backfilling, compaction, etc. of the soil or fill material, detailing the manner, extent and a timetable for accomplishing said operations over the disturbed area is required. [Rule M-3(2),(d)].
- ✓ 3. Detailed plans for the sealing and final reclamation of shafts, inclines, etc. which would pose a potential threat to the public need to be submitted. [Rule M-10(2),(a)].
4. Submit final reclamation plans for the tailings disposal site, detailing specifics on protecting the natural hydrologic balance, (ie., proposed drainage channels, diversion, erosion control measures, etc.) [Rule M-10(2),(3),(6),(13) and MR Form 2, page 2, Grading and Regrading (d)].

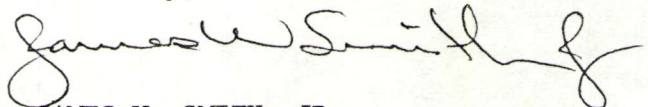
5. Provide a description of the existing vegetation and the percent of the total aerial ground cover prior to disturbance. State the method used for determining vegetative cover. [Rule M-10 (12)].
6. A description of the planting program to revegetate the land affected is required. A diverse mixture of grass, shrub and forb seeds or seedlings of non-noxious native plants that will give a quick, permanent protective cover and enrich the soil shall be given priority. [Rule M-10 (12) and Rule M-3 (2),(e)].
7. Submit estimates and calculations covering annual evaporative losses from all exposed surface waters (ie., South canal, North canal, tailings pond, etc.) and the proportionate breakdown or proposed utilization of Ranchers purchased water rights including any excesses. [Rule M-10 (2)].
8. Ranchers should provide:
 - (a) A commitment to monitor post-mining recovery of the regionally affected aquifer until such time as sufficient data is documented to substantiate aquifer reestablishment to the normal predicted level, and
 - (b) continue to provide appropriate measures of replacement and/or renumeration to the adversely affected parties until such time as above. [Rule M-10(2)].
9. Ranchers must have all permits and approvals from those State agencies having jurisdiction over the proposed operations (inparticular; Division of Water Rights, Dam Safety).

Please find enclosed a copy of the surety estimate which the Board has approved at its Executive Session. The amount of surety is \$119,574.00 and the form is to be either a letter of credit from a Nationally Chartered Bank, or a bond.

Also enclosed are the necessary surety forms to be completed and submitted to the Division in order to meet the requirements for final approval.

If you have any questions, please feel free to call either myself or Wayne Hedberg.

Sincerely,



JAMES W. SMITH, JR.
COORDINATOR OF MINED
LAND DEVELOPMENT

JWS/lml
CC: James Rosel
Enclosure: Surety Estimate and Forms.

DIVISION OF OIL, GAS, AND MINING

BOND ESTIMATE

OPERATOR: Ranchers Exploration & Development Corporation
 MINE NAME: Escalante Silver Mine
 LOCATION: Sections 1-3, 9-12, & 14-16, T. 36S., R. 17W.
 COUNTY: Iron
 DATE: August 19, 1980.

	Operation	Amount	Rate	Cost
A.	CLEAN-UP			
	1. Removal of structures & equipment.	\$1,500.00	Lump sum	\$ 1,500.00
	2. Removal of trash & debris.	\$1,000.00	Lump sum	\$ 1,000.00
	3. Leveling of ancillary facilities pads and access roads.	9 foundations	\$1,000/fnd.	\$ 9,000.00
		2.5 ml. road scarification (16ft. wd. rd.)	.21/sq. yd.	\$ 5,000.00
B.	REGRADING & RECONTOURING			
	1. Earthwork including haulage and grading of spoils, waste and overburden.	10,000 yd ³ (waste dock)	0.89/yd ³	\$ 8,900.00
	2. Recontouring of highwalls and excavations.	1 decline 80 acres ³	\$1,000/dcln.	\$ 1,000.00
	3. Spreading of soil or surficial materials.	(9600 yd ³ tps1) 3" depth avrg.	0.84/yd ³	\$ 8,000.00
C.	STABILIZATION			
	1. Soil preparation, scarification, fertilization, etc.	80 acres	\$25.00/acre	\$ 2,000.00
	2. Seeding or planting.	80 acres	\$150/acre	\$ 12,000.00
	3. Construction of terraces, water-bars, etc.	N/A	-	-
D.	LABOR			
		100 hours	\$10.00/hour	\$ 1,000.00
	1. Supervision.	N/A (included in B and C abv)	-	-
	2. Labor exclusive of bulldozer time.			
E.	SAFETY			
	1. Erection of fences, portal coverings, etc.	1 portal	\$1,000/prtl	\$ 1,000.00
	2. Removal or neutralization of explosive or hazardous materials.	\$500.00	Lump sum	\$ 500.00
F.	MONITORING			
	1. Continuing or periodic monitoring, sampling & testing deemed necessary.	Reseed 80 acs. if necessary	\$175.00/ac	\$ 14,000.00
G.	OTHER			
	1. 13% inflation factor for 5 years.			\$ 54,674.00
			SUBTOTAL	\$ 64,900.00
			TOTAL	\$119,574.00